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Phillips

UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

October 5, 1981

B-204776

Mr. William J. Maraist  
Assistant Administrator  
for Regulations  
Office of Federal Procurement  
Policy  
Office of Management and Budget

Dear Mr. Maraist:

By memorandum dated August 27, 1981, with enclosures, you forwarded for our review and comment a segment of the draft Federal Acquisition Regulation (FAR) regarding the decision to acquire equipment by lease or purchase (FAR subpart 7.4), negotiating advance agreements for independent research and development/bid and proposal costs (FAR subpart 42.10), and the use of Government supply sources and motor pools by contractors performing cost-reimbursement contracts (FAR part 51).

The proposed FAR § 51.202(a)(2) requires that contractors who are authorized to use interagency motor pool vehicles obtain automobile liability insurance for the protection of the contractor and Government against losses and claims resulting from the contractor's use of the vehicles. In B-157729, November 8, 1965, we recommended that the self-insurance policies of the Government be applied to these risks and that the contracting agencies be responsible for these losses in the same manner as they are responsible when motor pool vehicles are operated by their own employees. We continue in this view.

We have no comments on the other proposed regulations.

Sincerely yours,

*Harry R. Van Cleve*  
Harry R. Van Cleve  
Acting General Counsel

*advised in  
10/15/81*

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